Dof. Dcc. # 2658

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Exh. No.

Translated by

Lefence Sanguage Branch

INTERNATIONAL MILITARY TRIBUNAL FOR THE PAR EAST

THE UNITED ST.TAS OF AFRICA, et al

-VS-

ARAYI, Sadao, et al

SUCPN LEPOSITION

. Depouent: OCAWA, Yataro

Having first duly states on oath as on attached sheet and in accordance with the procedure followed in my country I hereby depose as follows.

I (OGerA, hitoro) was been in June 1833, After graduating from the law derree of the Tokyo Imparial University I entered into business and ongaged calefly in the lines of machinery menufaction and study and mining industrates.

In December 1939 I was elected director of Kita-Shina Kaibatsu Kaisha (North China Development Co.) and held that office until December 1941 when I resigned the post.

All important business activities of the North China Develop-2. ment Co. were subject to supervision of the China Affairs Board. Therefore the Company was nothing more than an intermediary organ, and it was so provided that the company was powerless to take any

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Exh. No.

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Transisted by Lafence Language Branch

INTERN.TICNAL MILITARY TRIBUNAL FOR THE FAR EAST

THE UNITED ST.TAS OF AMERICA, et al

-VS-

ARAJI, Sadao, et al

SUCPN LETOSITION

. Depouent: OC.WA, Yataro

Having first duly states an oath as on attached sheet and in accordance with the procedure followed in my country I hereby depose as follows.

1. I (OGALA, laters) was been in Jume 1833. After graduating from the law Course of the Tokyo Emperical University I entered into business and engaged calefly in the lines of mechinery menufacture and steel and maning industries.

In December 1939 I was elected director of Kita-Shina Kaibatsu Kaisha (North China Development Co.) and held that office until December 1941 when I resigned the post.

2. All important business activities of the North China Development Co. were subject to supervision of the China Affairs Board.
Therefore the Company was nothing more than an intermediary organ,
and it was so provided that the company was powerless to take any

by far a narrower scope of authority than the president of an ordinary bank or of a holding company. On this account there was heard a heated debate in various quarters, criticizing the use-lessness of the company. While my main outward reason for recigning the post in the company was ill health, another strong reason was the fact that I had got sick of remaining any longer in such a company where I had to work under such restrictions.

- 3. The business fund of the North China Development Co. consisted entirely of subscriptions paid by its stockholders and of the loans obtained in Japan.
- the form of loans or investments to such enterprises as specified by law, these enterprises did not embrace all categories of industry. In other words a capitalistic monopoly was not the aim of the company, neither was I told that the government had ever harbored such a monopoly. The plan. To cite an instance to endorse this, there were numerous coal mines in the district with which the company was in no way concerned. I further remember that in the years 1940-1941 the ratio between the company-subsidiary coal mines and others in coal output was about fifty-fifty. The company had not invested a cent in the coal mines located in the neighborhood of Peking which were the source of supply of coal to the citizens of that city -- such as Dali Coal Fields. Ventoukuo Coal

Fields and others located in the same district. Those collieries were operated either as an independent Chinese enterprise or as a joint Sino-Japanese enterprise.

- any industrial enterprise by itself. Consequently the company never concerned itself with the work of taking over the operation of any Chinese enterprise, nor was there any instance of the North China local government having ever transferred an enterprise to the company.
- 6. The North China Development Co. never formulated any plan for mobilization of materials and rescurces in the Japanese Army occupied zone in North China. The company was only called upon to investigate such items as productive capacity of its subsidiary concerns, arounts of funds and materials required by them. etc. and to report the result of such investigations to Koa-In (China Affairs Board).
- 7. It was common knowledge that the coal output in North China prior to the outbreak of the China Incident was 15,000,000 tons per year. After the outbreak of the incident, however, every coal mine suffered a temporary setback in its production due to havor wrought by the retreating Chinese troops to the production equipments of the mines, the general social unrest and the distrubance of public order and other incidental factors, and the coal output during 1938 dwindled to about 10,000,000 tons. Due to the effort of the Japanese the coal output in 1940 broke all past

records and reached more than 18,000,000 tens, and the following year's production showed anew high of 23,000,000 tens, and thousands of Chinese were thereby given opportunities for new jobs. Mr.

Kaya, seeing there were few expert engineers among the Chinese, inaugurated within the company an institute designed to afford facilities of technical education to young Chinese and many Chinese young men received technical education and training at this institute.

- 8. I also remember that in the early part of 1940 there happened to be, as a temporary phenomenon, extreme difficulty in procuring house coal in Feking. This was occasioned by the decrease in coal production following the outbroak of the China Incident as referred to, coupled with the reluctance of Chinese coal producers and dealers in Feking-Tientsin area to sell their ware and the hoarding of coal by speculators. Naturally the coal prices in Peking soared up. This situation, however, was remedied by the increased production as mentioned before, which, combined with an improvement effected in marketing and distribution of coal by North China Coal Selling Co. which was established in October, 1940, served to insure a smooth supply of coal in that district.
- 9. Lith coal output in North China thus stepped up, the export of this article to Japan increased, and I remember also a marked increase of coal supply for local consumption in North China.

 At that time the Koa-In (China Affairs Board) was strongly opposed

to the coal export to Japan being increased at the expense of its local consumption in North China. I remember it was when the coal prices for the year 1940 were decided that, in response to demand made by producers in North China for higher prices to cope with increased production cost, the Japanese government acceded to such demand and allowed the prices of coal for Japan to be advanced but disapproved any increase in prices of coal for local consumption.

I further remember Fresident KAYA remarking at a company meeting to the following effect:

"We are not allowed to squeeze the Chinese people. To squeeze

is against morals. There can be no lasting good relationship
between one who squeezes and one who is squeezed. Squeezing goes
counter to the principle of co-existence and co-prosperity."

10. As previously stated, in all matters pertaining to leans or investments in subsidiary companies, the North China Development Company was required to obtain instructions from the China Affairs Board. But at no time, I remember, did the North China Development Company receive any instruction from the China Affairs Board to the effect that approval be given to all plans for enlargement of plants or increase in production by the subsidiary companies where said plans call for consumation in or around the year 1941, nor any instructions to make loans or investments in companies having such plans.

On this 26th day of Sept. 1947

at Tokyo

DEPONENT /8/ OGALA, Yataro (seal)

I. T.Naka. Yasumichi, hereby certify that the above statement was sworn by the deponent, who affixed his signature and seal thereto in the presence of this witness.

On the same date

At Tokyo

Witness: /s/ TANAKA, Yasamichi (seal)

OATH .

In accordance with my conscience I swear to tell the whole truth withholding nothing and adding nothing.

/s/ CGil A. Yataro (seal)

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Dof. Doc. 42658

八 上 著 炭 其 庭 昭 北八 北 = 五然 ヲ中ヲ 0 ナ 支 年 シ V 1 用和 施 國 ヲ 北反 地 前 1 者 原 炭 + 支 對 元 = 出 述 ナ 因 1 五 3 E 炭 九 IJ 年 買 增增 29 禄 " 0 加 給 0 ナ 中 又 屯 時 潤 年出 賀 日 炭 非四 技 本 0 ハ出 政 產 分 對 加 甲 炭 府 原 昭 テ 日 " 變 函 國 ガ 價 和 石 設 見 2 溜 後 成 ガ 對 + 炭 立 對 ル 及 初 所 IJ 前 日 五 日 輸 ヲ サ ガ 出 7 期 ヲ 技 翰 年 年 炭 記 出 共 炭 ッ 頃 開 術 出 度 ヲ 憶 Æ 配 = 設 炭 炭增 ス 增 炭其 ガ 時時 中 屯 價加 比 N 加 操後 影 的 以 较 値 サ ヲ シ 作鼙 現 ヲ 民 J. 上 3 决 B モ北 記 象 テ 定 ガ I 石 テ 億 九 ス 夫 北 炭 北 シ 中 北 24 認 高 N 支 サ 販 京 テ テ 國 支 時 地 賣 市 那 北 デ 當 場 テ 會 中 京 年 開 ツ ガ 時 用 昭 社 石 ツ = = 發 北 ッ 興 炭 和 E 炭 ハ 於 科 會 支 亚 向 + 昭 不中 ケ 地 デ 供 ŀ 院

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右 ^ 间 當 昭 立會 和二十二年(一 日 人 於 面 東 前 = 京 九四 テ 供 立 宜 睿 述 七年)九月二十六日 會 v 且 者 人 ツ暑 名 祭 印 田 小 * B 川 中 ir. ル 東京 弱 康 7 證 太 明 道 v 郞

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宣 窨